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Nashville, Tennessee 37243-0505

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October 14, 2005

Mr. Dennis Bollinger
Director of Clean Fuel Projects
Energy Systems Group, LLC
4655 Rosebud Lane
Newburgh, IN 47630

RE: Docket No. 05-000244 – Application of ESG Pipeline (JC), LLC for a Certificate of Convenience and Necessity to Operate a Processed Methane Gas Distribution System in Johnson City, TN

Dear Mr. Bollinger:

To further the Staff's investigation of ESG Pipeline, LLC's application for a Certificate of Convenience and Necessity (CCN) to construct and operate a pipeline distribution system to deliver processed methane gas to a maximum of four customers located in Johnson City, Tennessee, please provide additional information as outlined on the attached Staff Data Request

It is requested that this information be provided no later than 2:00 P.M. on Monday, November 7, 2005, and that you reference Docket No. 05-00244 on the response. In accordance with TRA rules, submit either thirteen (13) written copies of your response, or four (4) written copies and one (1) electronic version. Should you have questions regarding any item number on the attached request, please contact Pat Murphy (extension 178) or Patsy Fulton (extension 193) for clarification before responding.

Sincerely,

Darlene Standley
Chief
Utilities Division

Enclosure
Pm05-50

C: Chairman Ron Jones
Henry Walker
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ESG PIPELINE (JC), LLC
DOCKET NO 05-00244

APPLICATION FOR CCN TO CONSTRUCT AND OPERATE A PIPELINE
DISTRIBUTION SYSTEM TO DELIVER PROCESSED METHANE GAS

STAFF DATA REQUEST – OCTOBER 13, 2005

When responding to the following questions, please repeat the question number and question, followed by the Company's response.

GENERAL:

1. Provide copies of documents showing that Energy Systems Group, LLC ("ESG") and/or ESG Pipeline (JC), LLC ("ESG-JC") are (is) authorized to conduct business in Tennessee and their (its) Certificate(s) of Good Standing from the State of Tennessee.
2. Provide a copy of any franchise agreement(s) granted or proposed by the city or county to ESG and/or ESG-JC.
3. The application in this docket listed the Key Personnel information for ESG. Provide the names, titles and contact information for the officers of ESG-JC. Provide the same information for any other Key Personnel for ESG-JC.
4. Provide documentation of notice of this Application that was sent to the authorities of Johnson City, TN and to Atmos Energy Corporation, as well as to any public utility operating in the municipality or territory affected whose route, plant, line or system may be in competition with ESG-JC's proposed route, plant, line or system.
5. Provide a copy of the engineering and construction plans for the pipeline.
6. Provide a copy of ESG-JC's proposed rules and regulations governing its operations and its proposed tariff.
7. Provide a short Bio of each key employee of ESG-JC, who will be involved in the daily management and operations of the Company, supporting their managerial and/or technical expertise that qualifies them to operate a public gas utility in the state of Tennessee.
8. Due to the fact that this pipeline will eventually serve four (4) customers, will this be an infringement on Atmos Energy's franchise for the Johnson City area? Why or why not?
9. Provide the name and address of the contractor responsible for constructing the pipeline.

- 10 Referring to the map showing the proposed route for the pipeline, have all rights of way and easements been obtained?

FINANCIAL:

11. Provide a detailed estimate of the cost to construct the pipeline.
12. Provide an explanation of how ESG-JC will fund the cost of the pipeline. Provide copies of any financing agreements between ESG-JC and its parent and/or third party.
13. Will separate financial statements be rendered for ESG-JC? Provide projected income statements for ESG-JC for the first five (5) years of operation. Include the calculations for the projected gas revenues. Also provide the basis for estimated operating expenses.
14. Provide a chart of accounts for ESG-JC.
15. Provide the proposed depreciation rates, including the estimated useful life applicable to each plant account. Include the Company's basis for these rates.
16. Will ESG-JC have a payroll? If so, list the position and monthly salary of each employee.

PIPELINE SAFETY:

17. What types of materials will the pipeline facility be constructed with? Steel or plastic pipeline? Steel or plastic valves and appurtenances?
18. If the pipeline is to be constructed of polyethylene, will locating tracer wires be installed with the pipeline?
19. What methods of corrosion control will be employed to maintain the integrity of the pipeline?
20. What types of liquids might be expected with this product? How will these liquids be removed prior to transport of the methane gas? Has a gas analysis been performed to check for compatibility of pipeline materials and potential hazards to workers and/or the public?
21. How will the methane gas be odorized? How will the odorization of the methane gas be monitored?
22. How often will this pipeline be leak surveyed? Who will respond to leak reports?
23. Will there be excessive process heating concerns, which must be taken into consideration with the proposed pipeline materials?

24. With respect to potential excavation activities near this pipeline, who will locate the pipeline facilities for the excavators?
25. What type of markers will be used with this pipeline facility?
26. What is the proposed maximum allowable operating pressure of this pipeline facility?
27. What is the proposed operating pressure of this pipeline facility?
28. Who will perform any required repairs on this pipeline facility?
29. What are the projections for methane gas production based on?